

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE

MY NAME IS R. LAMAR FREDERICK OF MONROE COUNTY. CURRENTLY I AM CHAIR OF THE MONROE COUNTY BOARD OF COMMISSIONERS. I AM HERE TODAY TO REGISTER MY SUPPORT THE BILL PRESENTED BY REPRESENTATIVE DALE W. ZORN TO AMEND A STATUTE WHICH ACCORDING TO MONROE COUNTY COUNSEL PROHIBITS COUNTY GENERAL FUNDS DERIVED FROM OR IN ANY WAY RELATED TO REAL ESTATE TAXES TO BE DIRECTED TO THE MAINTENANCE OR IMPROVEMENT OF COUNTY ROADS. MY PRESENTATION TODAY DEMONSTRATES THAT PROVIDED THERE ARE SUFFICIENT FUNDS AVAILABLE IN THE COUNTY GENERAL FUND THAT COULD BE APPROPRIATED TO THE MAINTENANCE OR IMPROVEMENT OF PRIMARY AND LOCAL ROADS AND IF THE COUNTY BOARD OF COMMISSIONERS IS INCLINED TO APPROPRIATE THE FUNDS FOR THOSE USES, THE PROGRAM I WILL PRESENT TO THIS COMMITTEE IS AN EXAMPLE OF COOPERATION BETWEEN CITIES, TOWNSHIPS, VILLAGES, THE MONROE COUNTY ROAD COMMISSION AND MONROE COUNTY BOARD OF COMMISSIONERS TO IMPROVE ROADS AND BRIDGES IN THE COUNTY AND IN TURN IMPROVE THE QUALITY OF LIFE FOR ALL ITS CITIZENS. THE PROGRAM ENACTED BY THE MONROE COUNTY BOARD OF COMMISSIONERS IS NOT NECESSARILY A MODEL THAT WOULD BE USED BY OTHER COUNTIES.

THE MONROE COUNTY BOARD OF COMMISSIONERS HEARD THE GOVERNOR AND MEMBERS OF THE LEGISLATURE INDICATE THAT REGIONAL PROGRAMS OF COOPERATION TO LEVERAGE THE USE OF LOCAL FUNDS IS OF GREAT IMPORTANCE TO THE RENEWAL OF THE STATE AND BUILD A NEW MICHIGAN. ONE WAY TO CREATE AN INCENTIVE TO COUNTY PARTNERSHIPS IS TO AMEND THE STATUTE PROHIBITING THE USE OF REAL ESTATE TAXES FOR IMPROVEMENT OF PRIMARY AND LOCAL ROADS AND BRIDGES IN A COUNTY. THIS IS THE FOCUS OF REPRESENTATIVE ZORN'S BILL.

THE PROGRAM I WILL DESCRIBE WAS IN EFFECT IN MONROE COUNTY FOR SEVERAL YEARS BUT I WILL RESTRICT MY PRESENTATION TO THE PERIOD FROM 1999 TO 2006. THE PROGRAM WAS CALLED THE MONROE COUNTY SELF-HELP ROAD AND BRIDGE PROGRAM. TO INITIATE THE PROGRAM, ANNUALLY, THE

COUNTY BOARD OF COMMISSIONERS WOULD APPROPRIATE FROM \$850,000 TO \$950,000 IN ITS ANNUAL BUDGET FOR THE PURPOSE OF MAINTENANCE OR IMPROVEMENT OF COUNTY ROADS OR REPAIR OF BRIDGES. THE APPROPRIATION MADE BY THE COUNTY WAS FURTHER DIVIDED TO THE CITIES, VILLAGES AND TOWNSHIPS WITHIN THE COUNTY GENERALLY IN THE SAME PROPORTION SET FORTH IN ACT 51. IMPORTANTLY AND CRITICAL TO THE PROGRAM, THE MONROE COUNTY ROAD COMMISSION WAS A SIGNIFICANT PARTNER FOR THIS PROGRAM. THE PROGRAM LEVERAGED THEIR FUNDS DEDICATED TO COUNTY ROAD AND BRIDGE IMPROVEMENTS.

AFTER THE FUNDS WERE APPORTIONED TO THE LOCAL GOVERNMENTAL UNITS, A PROJECT OF IMPORTANCE WAS IDENTIFIED BY THE LOCAL UNIT AND SUBMITTED TO THE ROAD COMMISSION AND COUNTY FOR APPROVAL. THE RULES FOR APPROVAL OF A PROJECT ARE NOT RELEVANT TO THE DISCUSSION TODAY. SIMPLY STATED, THE PROJECT WAS REQUIRED TO BE A SUBSTANTIAL IMPROVEMENT TO A ROAD OR A BRIDGE STRUCTURE IN THE LOCAL UNIT. THROWING COLD PATCH OR HOT ASPHALT AT A FEW POT HOLES DID NOT QUALIFY. A TOWNSHIP PROJECT WAS FUNDED WITH THE COUNTY'S APPORTIONMENT TO THE TOWNSHIP, NOT TO EXCEED ONE HALF OF THE COST, ONE QUARTER OF THE COST BY THE ROAD COMMISSION AND THE REMAINING ONE QUARTER OF THE COST BY THE TOWNSHIP. FOR SOME PROJECTS THE TOWNSHIP WOULD FUND SUBSTANTIALLY MORE THAN THEIR SHARE TO COMPLETE THE PROJECT.

FOR PROJECTS SUBMITTED BY A CITY OR VILLAGE, THAT GOVERNMENTAL UNIT USED THE COUNTY FUNDS APPROPRIATED TO THEM AND PAID ONE HALF OR MORE OF THE COST OF THE PROJECT.

SOME SMALL TOWNSHIPS WOULD ESCROW THEIR FUNDS FROM THE COUNTY FROM ONE YEAR TO THE NEXT OR EVEN LONGER TO PERMIT THE TOWNSHIP TO COMPLETE A PROJECT THAT COULD NOT BE FUNDED BY THE TOWNSHIP IN ONE OR TWO FISCAL YEARS.

TO GIVE YOU AN IDEA OF THE SCOPE OF THE PROGRAM, FROM 1999 THROUGH 2006, THE COUNTY OF MONROE APPROPRIATED IN EXCESS OF \$7,000,000 FOR ROAD AND BRIDGE PROJECTS IN THE COUNTY. THE MONROE COUNTY ROAD COMMISSION CONTRIBUTED \$3,200,000 AND LOCAL UNITS CONTRIBUTED NEARLY \$4,000,000 FOR A TOTAL OF NEARLY \$15,000,000 IN IMPROVEMENTS TO ROADS AND BRIDGES WITHIN THE COUNTY. WHILE THIS MIGHT NOT BE A LARGE NUMBER FOR AN URBAN COUNTY, FOR A COUNTY WITH SUBSTANTIAL AREAS OF RURAL ROADS AND BRIDGES, THE PROJECTS WERE SIGNIFICANT. THE LEVERAGING OF THE COUNTY FUNDS IS EVIDENT BY THE NUMBERS I JUST PRESENTED. FURTHER, THE SPIRIT OF COOPERATION BETWEEN THE COUNTY BOARD OF COMMISSIONERS, THE COUNTY ROAD COMMISSION AND THE LOCAL UNIT WAS A FUNDAMENTAL REQUIREMENT FOR THE SUCCESS OF THE PROGRAM. TO THE LOCAL UNITS, IT WAS ALMOST LIKE FINDING FREE MONEY LYING ON THE ROAD SINCE IN MOST PROJECTS THEIR COST WAS ABOUT ONE FOURTH OF THE TOTAL COST.

I WAS THE SUPERVISOR OF BEDFORD TOWNSHIP IN MONROE COUNTY DURING MUCH OF THE PERIOD I JUST DESCRIBED. DURING THAT PERIOD OF TIME, BEDFORD TOWNSHIP COMPLETED MAJOR ROAD REBUILDING PROJECTS TOTALING \$2,500,000 USING \$1,200,000 OF COUNTY AND COUNTY ROAD COMMISSION FUNDING. SEVERAL MILES OF ROAD WERE COMPLETELY RECONSTRUCTED WITHIN THE TOWNSHIP THROUGH THIS PROGRAM. THE TOWNSHIP COULD NOT HAVE BEEN SO VIGOROUS IN ROAD BUILDING AND REPAIR WITHOUT THE FUNDS FROM THE COUNTY AND THE COUNTY ROAD COMMISSION.

LEST GET TO THE CRUX OF THE PROBLEM. IN 2007, THE BUDGET OF THE COUNTY TURNED A CRITICAL PHASE AND THE QUESTION OF APPROPRIATING FUNDS TO ROADS AND BRIDGES WAS DEBATED BY THE COUNTY BOARD OF COMMISSIONERS. COUNTY COUNSEL ADVISED THAT WHILE THE APPROPRIATION OF FUNDS TO ROAD AND BRIDGE IMPROVEMENTS PRIOR TO 2006 WAS PERMITTED SINCE REVENUE FROM REAL ESTATE TAXES WAS DEEMED NOT PART

OF THE APPROPRIATION, REVENUE TO THE COUNTY FROM REAL ESTATE TAXES BECAME A LARGER PORTION OF THE REVENUES IN THE COUNTY BUDGETING PROCESS. COUNSEL ADVISED THE SELF-HELP PROGRAM COULD NOT BE CONTINUED IN VIEW OF THE STATUTE PROHIBITING USE OF REAL ESTATE TAX REVENUE FOR IMPROVEMENT OF COUNTY ROADS. THE PROGRAM WAS ENDED.

REPRESENTATIVE ZORN'S BILL ADDRESSES THIS ISSUE. IT IS NOT THE PRESENT INTENTION OF THE MONROE COUNTY BOARD OF COMMISSIONERS TO APPROPRIATE FUNDS TO ROAD OR BRIDGE MAINTENANCE OR IMPROVEMENT TODAY, OR IN THE NEAR FUTURE, PARTICULARLY WHILE OTHER PRIORITIES CONTINUE TO COMPETE FOR SCARCE RESOURCES.

HOWEVER, IF AND WHEN REVENUES ARE SUFFICIENT TO FUND THE PRIORITIES AND IF THE BOARD OF COMMISSIONERS IS SO INCLINED, IT WOULD BE A SIGNIFICANT OPPORTUNITY FOR THE COUNTY, THE COUNTY ROAD COMMISSION AND LOCAL GOVERNMENTAL UNITS TO AGAIN BECOME PARTNERS IN THE IMPROVEMENT OF COUNTY ROADS AND BRIDGES AND REINVENT MICHIGAN. HOWEVER, IT APPEARS THE MONROE COUNTY SELF HELP ROAD AND BRIDGE PROGRAM AS CURRENTLY STRUCTURED WOULD NOT BE PERMITTED UNDER CURRENT LAW.

SIMPLY STATED, I URGE THIS COMMITTEE TO RECOMMEND APPROVAL OF REPRESENTATIVE ZORN'S BILL TO PERMIT THE OPPORTUNITY FOR COUNTIES TO EXERCISE ITS DISCRETION IN USING REAL ESTATE TAX REVENUES FOR ROAD AND BRIDGE IMPROVEMENTS.

THANK YOU FOR YOUR ATTENTION. ARE THERE ANY QUESTIONS?